GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:5495
ANSWERED ON:24.04.2001
PRIVATE PARTICIPATION IN UREA PRODUCTION
GUNIPATI RAMAIAH

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government have prescribed some guidelines for the participation of private sector in the production of urea;

(b) if so, the details thereof;

(c) the extent to which the Government have succeeded to attract participation of private sector in this sector;

(d) whether their financial structure has been assessed in this regard; and

(e) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DHINDSA)

(a) & (b): As per the Industrial Policy Resolution dated 24th July 1991, no licenceis normally required for setting up/expansion of fertilizer plants. Entrepreneurs are free to set up fertilizer projects anywhere in the country subject to environmental clearance.

(c): The share of private sector was 89.48 lakh MT out of the total urea production of 198.30 lakh MT during the year 1999-2000.

(d) & (e): The financial structure of urea manufacturing plants, including the private sector plants, is assessed by the Government for fixation of Retention Price under the Retention Price-cum-Subsidy Scheme.